

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1419 – SB 1623

February 10, 2014

SUMMARY OF ORIGINAL BILL: Authorizes the state to sell real property and to convey any interest or rights in minerals, coal, natural gas, oil, timber, and any other energy-related resources by public auction in addition to the sealed bid method. Public auction may include Internet auctions as well as in-person auctions that are open to participation by the public at large.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (012396): Deletes all language after the enacting clause. Specifies that the state can sell real property and can convey any interest or rights in minerals, coal, natural gas, oil, timber, and any other energy-related resources by the sealed bid method. Specifies that fee interests in real property shall be sold by the sealed method or by public auction in accordance with policies established by the State Building Commission, with the condition that the State shall have the right to refuse any and all bids. Public auction may include Internet auctions as well as in-person auctions that are open to participation by the public at large.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- According to the Department of General Services (DGS), the public auction program would be implemented within the agency's existing resources. Any online auction offerings would be conducted through the State of Tennessee's Asset and Lease Management Surplus Land for Sale website that already exists.
- Any cost can be accommodated within existing resources without additional computer programming or personnel costs.
- Anecdotal research by DGS has suggested that public auction tends to bring a better price than the sealed bid method; however, the fiscal impact is not specifically quantifiable.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with a large, stylized "D" and a long, sweeping tail.

Lucian D. Geise, Executive Director

/lsc